

2018-2019 Adopted Budget in Brief



The mission of the City of San José is to provide quality public services, facilities, and opportunities that create, sustain, and enhance a safe, livable, and vibrant community for its diverse residents, businesses, and visitors.

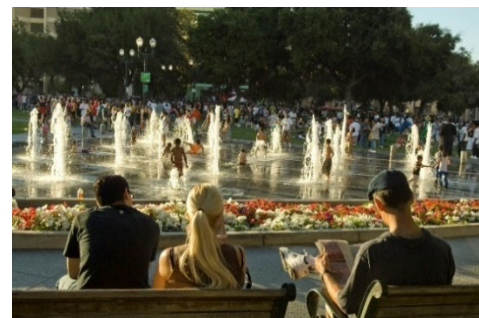
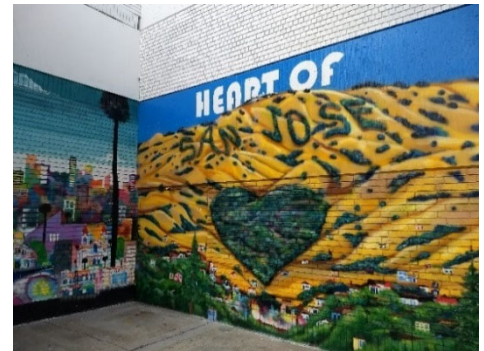
The 2018-2019 Adopted Operating and Capital Budgets for the City of San José total \$3.7 billion. With this funding, the City will continue to deliver a wide range of services to the City's residents and businesses. As the 10th largest City in the country with a population of over 1 million, San José is a dynamic, vibrant place.

Overall, the City's budget is in a fairly stable position. Given the availability of one-time funding and the modest funding made available in this budget in the General Fund, the Adopted Budget follows City Council direction to focus on targeted, strategic spending as well as saving for the future. This budget takes a multi-year approach with one-time funding set aside in 2018-2019 to address the projected General Fund shortfall in 2019-2020. It also maintains existing service levels, enhances service delivery in limited areas, and invests in our infrastructure and technology. With limited resources, it is critical that the City continue to innovate and leverage a wide variety of resources to achieve our service delivery goals.

For the City's many other dedicated funds (e.g., Airport Funds, Housing Funds, Sanitary Sewer Funds, Water Utility Funds), budget actions address various service delivery and infrastructure needs balanced within the available resources for each fund. Any associated impacts on rate payers were also taken into consideration when developing the Adopted Budget.

Consistent with the City Council approved Mayor's March Budget Message for Fiscal Year 2018-2019, major actions included in the Adopted Budget focus on the following themes:

- ✓ **Homelessness and Housing**
- ✓ **Public Safety**
- ✓ **Environment**
- ✓ **Innovation and Technology**
- ✓ **Education and Our Youth**
- ✓ **Community Engagement**
- ✓ **Saving and Improving Fiscal Sustainability**



San José at a Glance

Basic City Facts

FOUNDED: 1777; California's first civilian settlement
INCORPORATED: March 27, 1850; California's first incorporated City, and the site of the first State capital

General Data

Population	1,051,316
Registered Voters	436,047
Median Household Income	\$110,040
Miles of Streets	2,435
Miles of Alleys	2
Area of City (square miles)	180.6

Major Employers

Santa Clara County	18,000
Cisco Systems	9,800
City of San José	6,413
Paypal, Inc.	3,300
eBay	3,280
Adobe Systems Inc.	2,750
Kaiser Permanente	2,175
Good Samaritan Health System	2,050
Western Digital	2,000

Airport*

Size	Approx. 1,050 Acres
Terminals	2
Runways	3
Hours of Operation	24
Number of Passengers	13.5 Million

Environment and Utilities*

Miles of Municipal Sewer Mains	2,315
Tons of Recycled Materials	79,000
Tons of Yard Trimmings	122,000
Tons of Used Motor Oil	174

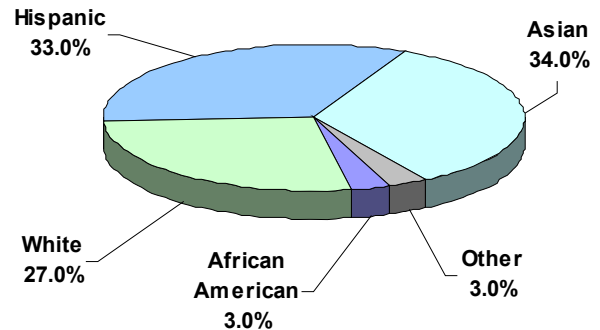
Parking*

Parking Meters	2,566
Parking Lots (967 total spaces)	6
Parking Garages (6,162 total spaces)	8

* Current counts or 2017-2018 year-end estimates

** Data represents City services (excludes school data)

Demographics



Public Safety*

Police Stations	1
Emergency Police Calls	610,000
Non-Emergency Police Calls	426,800
Fire Stations	33
Fire Companies/Squad Units	43/3
Emergency Fire Department Calls	75,700
Non-Emergency Fire Department Calls	18,500
Emergency Medical Calls	57,700
Fires	3,500

Parks, Recreation and Neighborhood Services*

Park Sites**	203
Park Amenities:	
Basketball Hoops	163
Exercise Courses	34
Multi-Use Fields	102
Skate Parks	7
Swimming Pools	6
Tennis Courts	90
Park Acreage**	3,534
City-Operated Community Centers	11
Partner-Operated Re-Use Sites	39
Participation in Recreation Programs at Community Centers	786,000

Libraries*

Number of Outlets:	
Main Library	1
Branches (including Village Square)**	23
Items Checked Out (Circulation)	8,373,000

San José at a Glance

2018-2019 Adopted Budget

GENERAL FUND

Police	\$410,039,331
Fire	220,582,151
City-Wide Expenses	95,373,150
Parks, Recreation & Neighborhood Services	79,150,738
Planning, Building & Code Enforcement	57,713,776
Public Works	47,026,811
Transfers to Other Funds	38,536,064
Transportation	35,827,610
Library	33,251,571
City Management (Manager and City Council)	35,323,246
Finance and Human Resources	27,937,089
Information Technology	24,162,365
Other	16,243,143
City Attorney	15,511,555
Capital Improvements	32,534,500
Reserves	204,461,873
Total General Fund	\$1,373,674,973

SPECIAL FUNDS

Airport	\$723,604,136
Waste Water Treatment Plant & Sanitary Sewer	372,439,192
Housing	232,021,126
Waste Mgmt (Garbage Collection/Recycling)	168,328,018
San José Clean Energy	138,172,000
Convention and Cultural Facilities	62,953,205
Municipal Water	64,707,337
Storm Sewer Operations	46,750,612
Parking	40,623,477
Transient Occupancy Tax	33,682,454
Library Parcel Tax	18,159,244
Community Development Block Grant	17,992,112
Other	273,182,570
Total Special Funds	\$2,192,615,483

CAPITAL IMPROVEMENT FUNDS

Water Pollution Control	\$174,742,816
Traffic	238,980,720
Airport	165,441,063
Parks and Community Facilities	196,646,104
Sanitary Sewer System	51,234,886
Library	24,234,620
Public Safety	24,260,541
Municipal Improvements	35,886,500
Storm Sewer System	17,126,178
Other	59,455,079

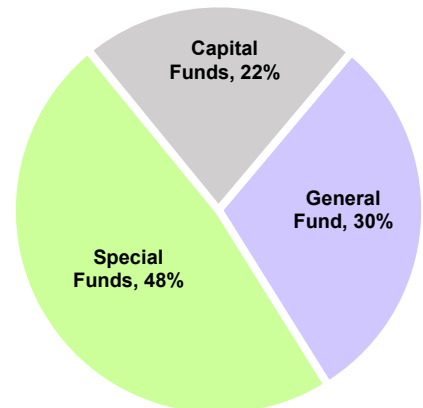
Total Capital Funds **\$988,008,507**

TOTAL ALL FUNDS **\$4,554,298,963**

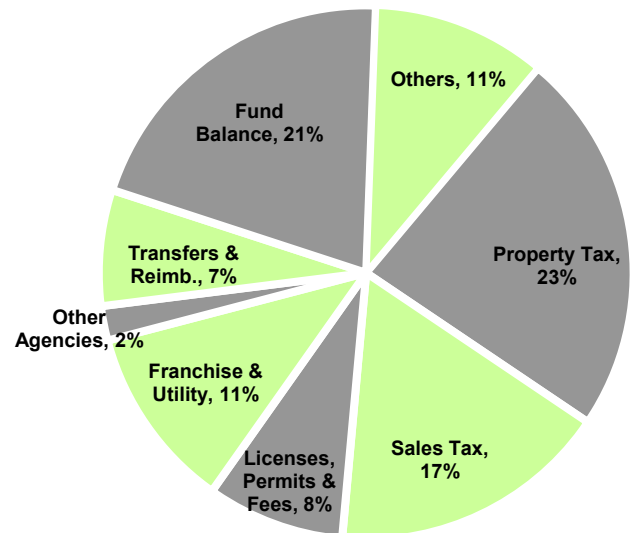
Less Transfers, Loans & Contributions (826,052,571)

NET CITY USE OF FUNDS **\$3,728,246,392**

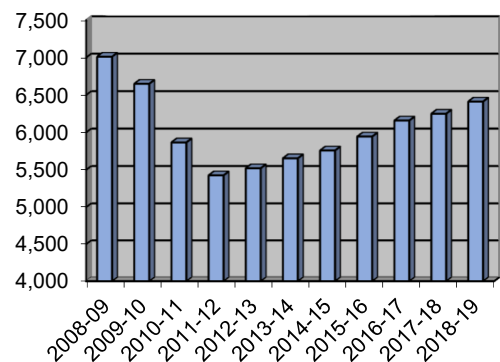
2018-2019 Adopted Budget



2018-2019 Sources of General Fund Revenues



Total City Positions



In the 2018-2019 Adopted Budget, the number of City positions totals 6,413, which is up 163 positions (2.6%) from the 2017-2018 Adopted Budget level of 6,250 positions.

Balancing the Budget

The General Fund is used to provide many of the basic services provided by the City, including police, fire, libraries, parks, recreation and neighborhood services, planning, building and code enforcement. The Adopted General Fund Budget Balancing Plan includes actions to address the \$4.3 million shortfall in 2018-2019. The table below shows the matrix of balancing strategies and dollars associated with each action.

2018-2019 Adopted Operating Budget General Fund Budget Balancing Plan (in 000's)		
	2018-2019	Ongoing
2018-2019 General Fund Shortfall	\$ (4,310)	\$ (4,310)
Balancing Strategy		
Source of Funds		
Beginning Fund Balance:		
2018-2019 Future Deficit Reserve	\$ 20,250	\$ 0
Successor Agency to the RDA (SARA) Refunding Property Tax	9,350	0
2017-2018 Excess Revenue (Business Taxes, Rev from State, Franchise Fees)	5,000	0
Retiree Healthcare Solutions Reserve	4,320	0
Airport West (FMC) Debt Service	2,450	0
Other Revenue/Expenditure Savings/Rebudgets/Reserve Liquidations	791	(3,517)
Grants/Reimbursements/Fees		
Development Fee Programs	4,844	5,301
City-Wide Planning Fee and Staffing Expansion	1,693	2,239
Senior Nutrition Program	1,677	0
Diridon Station Area Planning and Development Reimbursement	1,330	0
Other Fee Programs/Reimbursements/Grants	6,397	3,661
Other Revenue		
Property Tax	2,850	
City of San José Business Tax Amnesty Program	1,500	1,200
Other Revenues	2,344	2,291
Overhead Reimbursements/Transfers from Other Funds	1,522	567
Subtotal Source of Funds	\$ 66,318	\$ 11,742
Use of Funds		
2019-2020 Future Deficit Reserve	\$ 15,500	\$ 0
Service Level Enhancements	26,561	3,288
Unmet/Deferred Technology, Infrastructure, and Maintenance	8,633	93
2017-2018 One-Time Funded Services	6,999	2,831
Other Fee Programs/Grants/Reimbursements	4,392	1,276
Earmarked Reserves (e.g. Salaries and Benefits and General Plan Update)	3,146	1,399
Development Fee Programs	2,571	1,358
New Infrastructure/Equipment Operations and Maintenance	657	1,610
Use of Reserves (e.g. Cultural Facilities, Committed Add., Deferred Maint.)	(2,780)	(1,218)
Cost Reductions/Service Delivery Efficiencies/Fund Shifts	(3,671)	(3,205)
Subtotal Use of Funds	\$ 62,008	\$ 7,432
Total Balancing Strategy	\$ 4,310	\$ 4,310
Remaining Balance	\$ 0	\$ 0

Service Delivery Highlights

Public Safety



Key Public Safety Services

Crime Prevention
Emergency Medical Services
Emergency Preparedness
Fire Prevention
Fire Suppression
Independent Police Oversight
Police Investigations
Police Patrol
Public Education



Expected Service Delivery.....

Police Services

- ☐ Respond to high priority calls for service and emergencies in a timely and effective manner
- ☐ Investigate crimes effectively and seek successful prosecution of criminals
- ☐ Continue efforts to deter gang violence
- ☐ Prompt review of police complaints by the Independent Police Auditor

Fire Services

- ☐ Respond to fires, medical calls, and other emergencies in a timely and effective manner
- ☐ Provide regulatory enforcement of fire and hazardous materials codes through inspection activities
- ☐ Investigate fire causes effectively

Emergency Services

- ☐ Continue regional all-hazard emergency management

2018-2019 Adopted Budget Actions.....

- **Police Event Support:** adds \$1 million of overtime funding to provide security for the National Collegiate Athletic Association College Football Championship and the National Hockey League All Star Game and their associated activities within San José.
- **Police Substation:** Adds \$1.5 million to begin the transition to a fully operational Substation with the capacity to deploy sworn officers. This will require the relocation of the training functions from the Substation.
- **Police Restructuring:** restores supervision in Field Patrol by eliminating 6.0 Police Sergeants (all vacant) and adding 1.0 Police Captain and 4.0 Police Lieutenants. An alternative staffing model is being implemented in the Pre-Processing Center, which will allow for the vacant Police Sergeant positions to be eliminated without any operational impacts. Restoring supervision ranks to Field Patrol will balance staffing throughout the patrol structure based on call volume.
- **Police Staffing:** As approved in the 2017-2018 Adopted Operating Budget, the number of authorized sworn positions will increase by 41.0 positions starting in June 2019, increasing the authorized sworn staffing level to 1,151.
- **Domestic Violence Response:** one-time funding for domestic violence response to assist victims of domestic violence and one-time funding for sexual assault education and training to aid in prevention.
- **City Hall Security:** adds 2.0 Police Officers and overtime to provide enhanced security coverage for the City Hall campus.
- **Downtown Foot Patrol Program:** continues one-time overtime funding of \$600,000 for the Downtown Foot Patrol Program that enhances safety and security and focuses on high crime activity.
- **Police Department Recruiting and Backgrounding Program:** adds one-time funding of \$825,000 for recruiting and backgrounding of candidates for sworn and non-sworn positions.
- **Cannabis Regulation Staffing:** adds 2.0 Analyst positions, offset by regulatory fees, to help facilitate inspections and regulatory compliance. These adds are partially offset by the elimination of a Code Enforcement Inspector position assigned to this program.
- **Office of Emergency Management Staffing:** adds 1.0 Deputy Director and 1.0 Senior Executive Analyst ongoing, 1.0 partially grant funded Senior Executive Analyst through June 30, 2019, and 4.0 grant funded Executive Analyst I/II positions through June 30, 2019 funded to the City Manager's Office of Emergency Management.
- **Aircraft Rescue and Firefighting (ARFF) – Permanent Staffing Solution (Index D):** adds 4.0 Fire Fighter positions in 2018-2019 and 3.0 Fire Engineer positions in 2019-2020 to fully staff the Aircraft Rescue and Firefighting (ARFF) Services at the Airport with permanent positions, and reduces the overtime that was previously used to staff the Index D requirement.
- **Fire Restructuring:** adds of 1.0 Deputy Fire Chief over Fire Training and Emergency Medical Services (EMS) and 1.0 Battalion Chief as the Department Safety Officer, offset by the elimination of 2.0 Division Fire Chiefs. This will provide more effective oversight of critical Fire Department functions.

Service Delivery Highlights

Neighborhood Services



Key Neighborhood Services

After School Programs
Anti-Graffiti and Anti-Litter
Code Enforcement
Libraries
Senior Services

Animal Care Services
At-Risk Youth Services
Community Centers
Park Facilities
Recreation Programs



Expected Service Delivery

Parks and Community Services

- ☐ 11 City-operated community centers
- ☐ 39 re-use community centers
- ☐ Recreation programs and classes
- ☐ Summer Aquatics program
- ☐ Parks and trails
- ☐ Senior Nutrition and Wellness Program
- ☐ Anti-gang activities
- ☐ Anti-graffiti efforts

Code Enforcement

- ☐ Code Enforcement field inspection services for emergency and priority complaints within 24 – 72 hours
- ☐ Proactive enforcement of vacant buildings

Library Services

- ☐ **Branch Libraries:**
 - 6 days/47 hours per week
- ☐ **Dr. Martin Luther King, Jr. Library:**
 - 7 days/77 hours per week during academic year
 - 7 days/63 hours per week when the University is not in session

Animal Care and Services

- ☐ Animal Care and Services to focus on health and safety related calls

2018-2019 Adopted Budget Actions

- **Library Security Staffing:** adds 1.5 Security Officer positions to support branch library staff, implement security procedures, and coordinate with partners, such as the Police Department and community agencies.
- **Instruction Program Services Staffing:** adds 1.0 Librarian to provide educational opportunities and serve as the lead for implementing the Coding 5K Challenge, in which the City seeks to train 5,000 students in evidence-based coding courses by 2020.
- **San José Learns:** Adds \$1.0 million ongoing to continue the San José Learns Program that provides funding to school districts and/or charter schools for out-of-school time programs that support at-risk and underperforming children to reach proficiency in math and reading.
- **Summer Learning:** adds \$250,000 in one-time funding to expand San José Learns' to include summer learning programs.
- **Public Life and Parks Activation:** adds one-time funding for 1.0 Recreation Superintendent, 3.0 Recreation Program Specialist, 3.0 Recreation Leader PT and \$320,000 in non-personal/equipment to support PRNS' Placemaking efforts including Viva CalleSJ, ¡Viva Parks!, and downtown activations. These efforts are partially offset by grants.
- **Senior Food Assistance:** adds \$225,000 in one-time funding to increase access for older adults to healthy food.
- **Project Hope Program:** continues 1.0 Community Coordinator and 1.0 Community Activity Worker and adds 1.0 Community Coordinator, and \$35,000 in non-personal to support the Project Hope Program, which leverages community partnerships, community empowerment, and coordination of a broad range of City services to address challenges of crime, poverty, and blight.
- **Welch Park:** adds 1.0 Community Coordinator, 1.0 Senior Recreation Leader and 0.5 Recreation Leader PT to support community engagement and recreation surrounding Welch Park, including the expansion of the Project Hope Program.
- **Anti-Litter Staffing:** adds 2.0 Community Activity Workers and \$25,000 in non-personal/equipment funding to support community's anti-litter and blight clean-up efforts.
- **Recreation Program Scholarships:** adds \$100,000, offset by fee activity revenue, for recreation program scholarships.
- **Parks Irrigation Technology:** adds \$82,000 in non-personal/equipment funding and 1.0 Network Engineer one-time in the Information Technology Department to activate the Calsense smart irrigation controllers and purchase smart phones to automate the monitoring and control of water flow and usage and respond to repair issues in real time, resulting in long-term savings in water costs estimated at \$174,000 in 2018-2019.
- **BeautifySJ Grants:** adds \$200,000 one-time to support expand beautification and community-building efforts in neighborhoods.
- **Police Athletic League (PAL) Transition:** Adds \$270,000 one-time to enable the Parks, Recreation and Neighborhood Services Department to transition the PAL program to Department staff or to a non-profit organization.

Service Delivery Highlights

Community & Economic Development



Key Community & Economic Development Services

Building Permits
Development Services
Economic Development
Housing Services
Citywide Land Use Planning
Local & Small Business Technical Services
Public Art and Cultural Events
Real Estate Services



Expected Service Delivery.....

Economic Development

- ☐ Attract and retain companies, with focus on clean technology and emerging technology companies
- ☐ Provide a range of workforce programs and services for displaced workers
- ☐ Manage the City's real property assets

Planning and Building Services

- ☐ Provide excellent development review process customer service
- ☐ Provide expedited plan review services

Housing Services/Community Development Block Grant (CDBG)

- ☐ Continue efforts to end chronic homelessness
- ☐ Continue to use available funds to increase the affordable housing supply
- ☐ Complete modifications to the Apartment Rent Ordinance and implement the Tenant Protection and Ellis Act Ordinances.

Arts and Cultural Events

- ☐ Through arts and cultural development programs, maintain a culturally vibrant community

2018-2019 Adopted Budget Actions

- **Business Outreach and Support Services:** adds one-time funding of \$200,000 to continue to support business outreach and development, economic and policy analysis and development, and city identity program expansion.
- **Diridon Station Area Development Planning:** adds one-time funding of \$1.58 million, offset by revenue of \$1.33 million, to ensure that the properties surrounding the Diridon Station Area are developed in ways that best benefit the City and its residents.
- **San José Works:** adds \$1.5 million ongoing to provide 1,000 youth with employment services and critical life skills instruction.
- **Homeless Services Staffing:** makes permanent 1.0 Development Officer position in the Rapid Rehousing Program to support homeless programs including overnight warming centers, church shelters, and support for rapid rehousing programs.
- **Homeless Solutions:** allocates \$3.0 million from the Housing Authority Litigation Award funds to homeless solutions.
- **Homeless Housing Innovations:** adds \$500,000 as seed money to support creative, innovative, and cost-effective ideas for housing solutions that move the homeless off the streets and into permanent and supportive housing
- **Housing Program Support:** adds 1.0 Development Officer for two years to address additional workload from new homelessness programs (e.g., safe parking, warming centers) to support the more immediate crisis facing unsheltered individuals.
- **Housing Department Public Outreach:** creates a Public Information Team by adding two positions and \$100,000 for contractual services to provide housing related community outreach and education and respond to media and public requests for information.
- **Rental Rights and Referrals Program:** adds 7.0 positions to the Rental Rights and Referrals Program to implement changes to the Tenant Protection Ordinance limiting no-cause evictions and establishing new requirements for property owners.
- **City-Wide Planning:** adds 7.0 planner positions (2.0 Planner IV and 5.0 Planner III) and expands the use of the Citywide Planning Fee to undertake the critical planning policy work required to implement the Envision San José 2040 General Plan
- **Housing Development Planning Staffing:** Adds 3.0 planner positions (1.0 Planner IV and 2.0 Planner III) to provide additional capacity to focus on the City's goal of building 25,000 housing units in five years.
- **Development Fee Programs:** continues 6.0 positions to support the Integrated Permit System project and adds 7.0 positions in the Public Works Department to support small cell permitting and the City's Smart City Vision and Broadband Strategy.
- **Service Year:** adds \$300,000 in one-time funding to provide paid opportunities to community members to develop real-world skills through hands-on service on issues such as education and disaster relief.

Service Delivery Highlights

Transportation & Aviation Services



Key Transportation & Aviation Services

Airport Operations
Airport Capital Improvements
Landscape & Tree Maintenance
Parking Services
Street Pavement Maintenance
Traffic Capital Improvements
Traffic Maintenance
Traffic Safety Education
Transportation Planning and
Project Delivery



Expected Service Delivery

Airport Operations

- ☐ Operate the Norman Y. Mineta San José International Airport (SJC) in a safe and efficient manner
- ☐ Deliver positive, reliable and efficient air traveler services and amenities; compete for community air service destinations and frequencies
- ☐ Preserve Airport assets and facilities through cost effective maintenance and operations
- ☐ Provide mandatory security, safety, and regulatory compliance for air service operations

Transportation Operations

- ☐ Provide a safe transportation system for the traveling public through effective engineering, and enforcement
- ☐ Focus limited available funding for street infrastructure maintenance on facilities having the highest use and economic significance
- ☐ Build and encourage use of multi-modal transportation options supporting economic development and the Envision San José 2040 General Plan

2018-2019 Adopted Budget Actions

- **Vehicle Abatement Services:** extends and expands the pilot Vehicle Abatement Program, implemented in December 2017, by providing one-time funding of \$552,500 for contractual services to assist in responding to the approximately 65,000 Vehicle Abatement Service Requests.
- **Pavement Maintenance:** adds \$1.45 million from the General Fund for pavement maintenance. In total, \$91.2 million is allocated to pavement maintenance in the 2018-2019 Adopted Capital Budget.
- **Walk n' Roll Staffing:** adds temporary staff to support Walk n' Roll traffic safety classes, events, and provide outreach to community groups and agencies.
- **Special Assessment District Landscape and Infrastructure Projects:** adds one-time non-personal/equipment funding for the design and renovation of aging landscape and infrastructure in Maintenance Assessment Districts (MAD) and Community Facilities Districts (CFD). Also makes permanent 1.0 Senior Construction Inspector and 1.0 Arborist Technician positions to address the ongoing need for inspection services and contract management for the MADs and CFDs.
- **Area Transportation Development Planning:** makes permanent 1.0 Associate Engineer position to continue addressing transportation planning demands and meet the goals and major strategies within the Envision San José 2040 General Plan.
- **Airport Concessions Consultant and Bond Feasibility Study:** adds one-time funding of \$161,000 to conduct a bond feasibility study to support the development of the financing plan for Phase II of the Terminal Area Improvement Program. Also, adds \$75,000 to fund Airport concessions consulting services to assist in developing a Food Service Master Plan.
- **Airport Community Outreach and Engagement:** adds 0.5 Office Specialist II position and increases the Airport's marketing and community outreach funding by \$155,000 ongoing. This funding supports community engagement and outreach efforts intended to attract more passengers to SJC and fill currently available, and future expected growth in, airline seat capacity.
- **Airport Capital Project Delivery:** adds 1.0 Associate Engineer position and 1.0 Senior Analyst position to the Capital Project Delivery Team to support the Airport's capital program, which includes several multi-year large federally-funded projects such as, the Runway Incursion Mitigation project, which requires significant administrative and technical oversight.

Service Delivery Highlights

Environmental & Utility Services



Key Environmental & Utility Services

Energy Conservation Efforts
Garbage Collection & Recycling
“Green” Building Program
Municipal Water System
Neighborhood Cleanups
San Jose Clean Energy
Sanitary Sewer Maintenance
Storm Sewer Maintenance
Water Pollution Control Plant
Water Recycling



Expected Service Delivery

- ❑ Build, operate, and maintain the City’s wastewater, recycled water, and potable water utility infrastructure to ensure system reliability and public health and safety
- ❑ Support environmentally sustainable practices throughout the community through education, public-private partnerships, and leadership of the Climate Smart San José plan with goals of reducing greenhouse gas emissions and ensuring a long-term water supply
- ❑ Enhance the City’s illegal dumping response and prevention efforts to increase efficiency and effectiveness of city-wide clean-up efforts and protect environmental health
- ❑ Collect, process, recycle, and dispose of solid waste to maximize diversion from landfills and protect public health, safety, and the environment
- ❑ Promote the health of the environment and South Bay Watershed through collection, treatment, and management of wastewater and stormwater runoff
- ❑ Develop, implement, and operate San Jose Clean Energy. Provide cost effective electric generation rates and offer customers at least one power mix option at ten percent or more renewables than PG&E and offer at least one power mix option that is 100 percent greenhouse gas free

2018-2019 Adopted Budget Actions

- **Sanitary Sewer Video Inspection:** adds 3.0 positions and non-personal/equipment to add a second video crew to support the increased activity levels corresponding with the expanded pavement maintenance program. The additional crew will provide capacity to proactively identify necessary sewer repairs and to ensure underground infrastructure is intact in advance of roadway pavement projects. This will maximize the useful life of pavement as well as reduce the risks of sanitary sewer overflows.
- **Trash Capture Device and Stormwater Infrastructure Maintenance:** adds 3.0 maintenance positions, and related non-personal/equipment to maintain the growing inventory of full trash capture devices and green infrastructure. These additions will allow the City to comply with the mandated maintenance requirements outlined in the City’s Stormwater National Pollution Discharge Elimination System (NPDES) Permit.
- **Street Sweeping Inspection:** adds 1.0 Associate Construction Inspector and non-personal/equipment to support increased inspection and contract management workload associated with the additional 44 curb miles of street sweeping parking restriction signage installed during 2017-2018.
- **Biosolids Management Program Staffing:** adds 1.0 Environmental Services Program Manager to lead the Biosolids Management Team to ensure the Water Pollution Control Plant has multiple and diversified disposition options in place by 2022 in line with the transition from the current lagoons and drying bed operations to mechanical dewatering.
- **Municipal Water Equipment:** adds funding for the purchase of a Vacuum Trailer to assist with maintaining critical infrastructure and quickly responding to service emergencies within the Municipal Water System service area.
- **Climate Smart:** adds one-time funding of \$100,000 to support efforts coordinated with the State of California, the Santa Clara Valley Open Space Authority, and other funding partners to agree upon a defined scope and funding plan for analysis of the City’s natural and working lands. The analysis is expected to provide useful data with respect to avoided vehicle-miles-travelled and carbon sequestration value of those lands.
- **Rate Changes:** In 2018-2019, the Sewer Service and Use Charge rate increased by 3.0%, the Municipal Water System includes a 5.6% revenue adjustment, the Recycle Plus program includes a 3.0% rate increase for single family households and 2.0% rate increase for multi-family households, and Storm Sewer Service rates did not change.

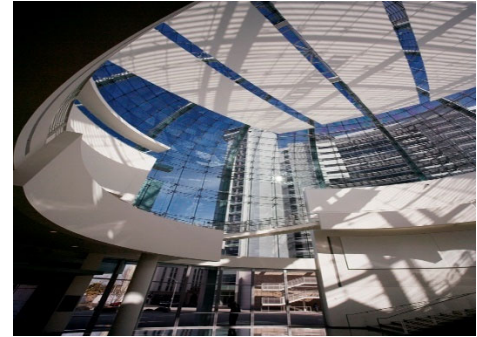
Service Delivery Highlights

Strategic Support



Key Strategic Support Services

Facility Maintenance
Financial Management
Fleet Maintenance
Human Resources
Information Technology
Mayor, City Council and Appointees
Public Works



Expected Service Delivery

- ☐ Attract and retain qualified employees
- ☐ Ensure that the City's finance and technology resources are protected and available to address the short and long-term needs of the community
- ☐ Maintain a safe and healthy work environment
- ☐ Oversee the City's capital projects, ensuring on-time and on-budget delivery of facilities
- ☐ Manage space usage at City-owned facilities
- ☐ Maintain City facilities, equipment, and vehicles
- ☐ Provide legal representation and legal transactions
- ☐ Provide audit services
- ☐ Facilitate the City's legislative process
- ☐ Provide strategic leadership and manage city-wide service delivery
- ☐ Provide quality retirement services and maintain financially sound pension plans

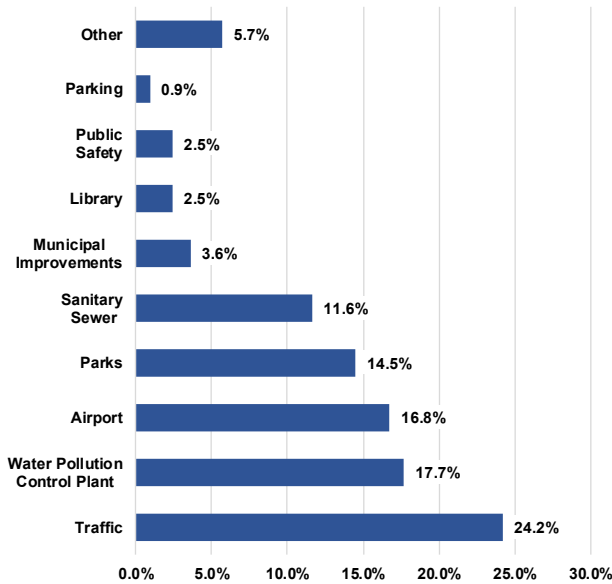
2018-2019 Adopted Budget Actions

- **Voluntary Employee's Beneficiary Association (VEBA) Program and Accounting Support:** adds 1.0 Analyst II through June 30, 2019 and 1.0 Account Clerk ongoing and non-personal/equipment funding to perform all VEBA-related duties and all accounts payable related to the Human Resources Department.
- **Employment Services Temporary Staffing Continuation:** adds one-time funding of \$200,000 for temporary staffing to extend the Human Resources Department's increased hiring capacity across the City.
- **Workers' Compensation Program:** adds one-time funding of \$401,000 to support the Workers' Compensation Program administration. When the budget was adopted, it was anticipated that these funds would be used to continue 4.0 temporary positions through June 30, 2019 to manage caseloads and allow staff to focus on program compliance issues in response to 2016 State Audit findings. However, with the approval of an outsource model on June 19, 2018, these funds, along with an additional \$650,000, will be used to support temporary staff during the transition period and TPA contractual costs.
- **Talent Development Initiative:** adds funding of \$350,000 (\$250,000 ongoing) to assess, create, and implement talent development activities. This aligns with the City Manager's "Powered by People" enterprise priority that focuses, in part, on engaging in efforts to support employee retention, engagement, and advancement through training and development.
- **Energy Team Staffing:** adds 1.0 Financial Analyst position to the Finance Department to provide the necessary support for the Community Energy Department's Middle Office (Controls and Reporting) operations.
- **City Hall Security:** adds one-time funding of \$197,000 to help address security needs at the City Hall campus. The addition of 2.0 Police Officer positions was also approved to provide City Hall security.
- **My San José 2.0:** adds \$1.5 million one-time to support a more effective and efficient response to complaints about graffiti, abandoned vehicles, broken streetlights, potholes, and general requests through the My San José application and web portal.
- **Citywide Open Data Environment and Architecture:** adds one-time funding of \$600,000, partially offset by a grant, to continue implementation of the City's Open Data Environment (ODE) for citywide use and stand up a consolidated Data and Transparency Portal (DTP) for public use.
- **Office of Civic Innovation Staffing:** adds one-time staffing resources through June 30, 2020 in the Office of Civic Innovation for a Chief Data Officer to provide strategic expertise and project management capacity.
- **Broadband and Digital Inclusion Strategy:** adds 1.0 Assistant to the City Manager and 1.0 Senior Executive Analyst positions to the City Manager's Office through June 30, 2019 to implement small cell permitting process re-engineering improvements.
- **City Attorney's Office Staffing:** Adds 1.0 Deputy City Attorney IV position to support the City's Apartment Rent Ordinance; continues 1.0 Legal Analyst through June 20, 2019 to support Workers' Compensation litigation matters, and continues one-time funding for temporary attorney services.

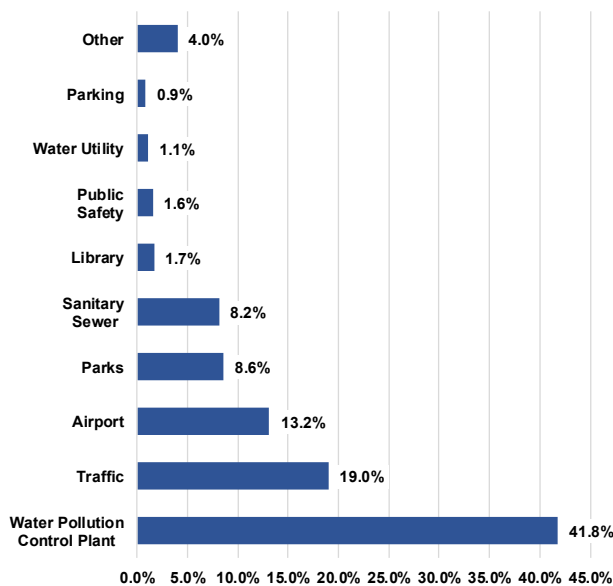
Capital Budget Highlights

The CIP consists of 14 capital programs. The following charts depict the funding uses by capital programs and percentage of funding for the 2018-2019 Adopted Capital Budget and the 2019-2023 Adopted Capital Improvement Program. Major projects to be completed over the next five years are highlighted in the sidebar.

**2018-2019 Capital Budget
Use of Funds (\$988.0 million)**



**2019-2023 Capital Improvement Program
Use of Funds (\$3.3 billion)**



Major Projects to be Completed Over the Next Five Years

2018-2019 Projects

- 2017 Flood Remediation Projects
- Arcadia Softball Facility
- Bollinger Rd./Moorpark Ave./Williams Rd. Sanitary Sewer Improvements
- Bridge Libraries
- Convention Center HVAC Upgrades
- Coyote Creek Trail (Story Rd. to Selma Olinder Park)
- Coyote Creek Trail (Story Rd. to Tully Road)
- Hathaway Park Renovation
- Large Trash Capture Devices
- Pavement Maintenance (Annual Program)

2019-2020 Projects

- 60" Brick Interceptor, Phase VIA and VIB
- Alviso Storm Pump Station
- Airport Parking Revenue Control System Upgrade
- Camden Community Center Improvements
- Convention Center Carpet Replacement
- Garage Elevator Upgrades
- Fire Facilities Remediation
- Mabury Pavement Repair/Resurfacing
- Nitrification Clarifier Rehabilitation - RWF
- Terminal A Baggage Claim Carousels
- Westmont Avenue and Harriet Avenue Sanitary Sewer Improvements

2020-2021 Projects

- Aeration Tanks and Blower Rehabilitation - RWF
- Aircraft Rescue and Fire Fighting Facility
- New Headworks
- Tully Road Corridor Safety Improvements
- West San Carlos Corridor Safety Improvements

2021-2022 Projects

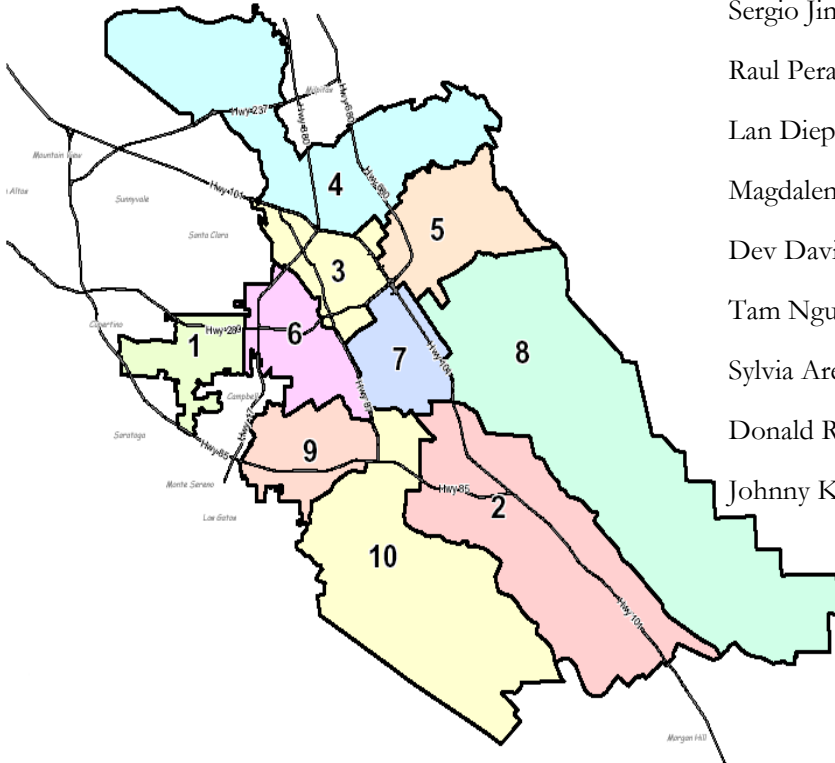
- Airfield Geometric Implementation
- Airport Network Replacement
- Airport Perimeter Fence Upgrades
- McKee Road Corridor Safety Improvements
- Tunnel Rehabilitation

2022-2023 Projects

- Airfield Electrical Circuit Rehabilitation
- Additional Digester Upgrades - RWF
- Digested Sludge Dewatering Facility - RWF
- Terminal B Ramp Rehabilitation

Roster of City Officials

City Council Districts



Roster of Elected Officials

CITY COUNCIL	DISTRICT	TELEPHONE/ E-MAIL
Sam Liccardo	Mayor	535-4800 mayoremail@sanjoseca.gov
Chappie Jones	1	535-4901 District1@sanjoseca.gov
Sergio Jimenez	2	535-4902 District2@sanjoseca.gov
Raul Peralez	3	535-4903 District3@sanjoseca.gov
Lan Diep	4	535-4904 District4@sanjoseca.gov
Magdalena Carrasco	5	535-4905 District5@sanjoseca.gov
Dev Davis	6	535-4906 District6@sanjoseca.gov
Tam Nguyen	7	535-4907 District7@sanjoseca.gov
Sylvia Arenas	8	535-4908 District8@sanjoseca.gov
Donald Rocha	9	535-4909 District9@sanjoseca.gov
Johnny Khamis	10	535-4910 District10@sanjoseca.gov

City Manager

David Sykes

Phone: (408) 535-8100

Webmaster.manager@sanjoseca.gov

Managing Our Finances

The City's current general credit is rated Aa1/AA+/AA+ from Moody's, Standard and Poor's, and Fitch, respectively. These ratings by the three rating agencies together acknowledge the City's moderate debt levels, strong financial management, and proactive responsible leadership. The City of San José remains one of the highest rated large cities in California and the country. The City's strong credit ratings have saved taxpayers money due to lower financing costs for debt issuance including the three general obligation bond measures passed for park, library, and public safety improvements and other debt obligations. The City's Operating and Capital Budgets and the Comprehensive Annual Financial Report (CAFR) have received awards from the Government Finance Officers Association and the California Society of Municipal Finance Officers.

Accessing the Budget

On-line versions of the City of San José's 2018-2019 Adopted Operating and Capital budgets are posted on the City's website under the Budget Office at <http://www.sanjoseca.gov/index.aspx?nid=6151>.

These documents are also available at the Dr. Martin Luther King, Jr. Main library. For more information about the City of San José Budget, please contact the City Manager's Budget Office at budgetoffice@sanjoseca.gov or at (408) 535-8144.